directors arising out of the contraction of excessive debts for the corporation. Before judgment a repeal of the statute terminated this liability. Section 327 of the California Political Code provides that any statute may be repealed at any time and that persons acting under a statute are deemed to have contemplated this power of repeal. *Held*, that the rights of the plaintiff under the statute were destroyed even though the statute was remedial. *Moss* v. *Smith*, 155 Pac. 90 (Cal.).

The remedial statutory liability of a director enters into a contract made with the corporation. *Hargroves* v. *Chambers*, 30 Ga. 580, 602. See *Farr* v. *Briggs' Estate*, 72 Vt. 225, 232, 47 Atl. 793, 796; see 14 HARV. L. REV. 620; *cf. Horner* v. *Henning*, 93 U. S. 228, 232. And if the liability is unconditional, to alter it is to impair the obligation of the contract. *Hawthorne* v. *Calef*, 2 Wall. (U. S.) 10; *Von Hoffman* v. *City of Quincy*, 4 Wall. (U. S.) 535. But the liability is the product of the law creating the contract and subject to its limitations. See *Pritchard* v. *Norton*, 106 U. S. 124, 129. Here the legislature has made it subject to a condition subsequent. No doubt a legislature may impose some conditions upon contractual obligations. Thus in granting a charter it clearly may make its own contract subject to alterations at its pleasure. *Greenwood* v. *Freight Co.*, 105 U. S. 13. Again it may make all future obligations dischargeable upon a defined contingency, such as the bankruptcy of the obligor. *Ogden* v. *Saunders*, 12 Wheat. (U. S.) 213. Whether it could go further and declare all contractual obligations to be conditional upon any future legislative action is another question. For a suggestion of this possibility, see Marshall's dissent in *Ogden* v. *Saunders*, *supra*, 339; *cf.* 29 HARV. L. REV. 521. Perhaps such a complete reservation of control would be held a fraud upon the contract clause. And, as it would seem unreasonable to deprive persons of the right of contracting freely, it would probably be held contrary to the Fourteenth Amendment. But the statute in the principal case is open to no such objections. It can be no fraud on the contract clause for a state to reserve control merely over what it reads into the contract of the parties, and the making conditional of a prospective statutory right is not a deprivation of a right but a mere qualification of a gratuity.

CONSTITUTIONAL LAW — WITNESSES — PRIVILEGE AGAINST SELF-CRIMINATION. — The defendant was indicted under a federal statute, which requires anyone keeping an alien woman for the purpose of prostitution to file an informing statement with the Commissioner of Immigration, and provides that no person shall be prosecuted "under any law of the United States" on account of anything truthfully reported in such statement (1913, COMP. ST., § 8817). He demurred on the ground that the statute forces self-crimination under state laws and therefore violates the Fifth Amendment to the federal constitution. *Held*, that the statute is unconstitutional. *United States* v. *Lombardo*, 228 Fed. 980.

A privilege against self-crimination may be overridden only if a coextensive immunity against punishment is afforded. *Counselman* v. *Hitchcock*, 142 U. S. 547, 564, 585. The correctness of the principal case, then, depends upon the extent of the constitutional privilege. Clearly no privilege against self-crimination exists when the danger of punishment is remotely contingent. *The Queen* v. *Boyes*, 1 B. & S. 311, 330. Professedly upon this principle, several cases have refused to extend the privilege to crimination under the laws of a foreign jurisdiction. *Jack* v. *Kansas*, 199 U. S. 372, 382; *Brown* v. *Walker*, 161 U. S. 591, 608; *State* v. *March*, 1 Jones (N. C.) 526; *King of the Two Sicilies* v. *Willcox*, 7 State Trials (N. S.) 1049, 1068. *Contra*, *United States* v. *McRae*, L. R. 3 Ch. App. 79, 87. However, it is submitted that the true principle underlying these decisions is that the privilege embraces only the criminal laws of the forum. See *Hale* v. *Henkel*, 201 U. S. 43, 68; 4 WIGMORE, EVIDENCE, § 2258. For the foundation of the privilege is the danger of oppression by the

sovereign, and his sinister interest in the criminating effect of testimony ceases when he does not punish for the act on which the testimony bears. Also there are grave practical objections to the existence of a privilege interfering with the rendition of justice, whose scope is determined by heterogeneous foreign laws. See 4 WIGMORE, EVIDENCE, § 2258. Now as the criminal laws of the federal and state governments are entirely independent, this reasoning would restrict the federal privilege from extending to state, just as to foreign laws. Furthermore, the history of the Fifth Amendment shows clearly that its purpose is to protect the individual against the federal government only. See *Barron* v. *Baltimore*, 7 Peters (U. S.) 243. This purpose is fully effectuated when immunity from federal prosecution is granted. *Hale* v. *Henkel*, *supra*, 68. See 10 HARV. L. REV. 120, 121. Obviously, though, when federal courts are applying state law, crimination under state law should be the criterion of the privilege. *United States* v. *Saline Bank*, 1 Peters (U. S.) 100.

CORPORATIONS — INSOLVENCY OF CORPORATION — RIGHT OF TRUSTEE IN BANKRUPTCY TO RECOVER UNPAID BALANCE OF STOCK ISSUED AT A DISCOUNT. — A Minnesota corporation issued stock at ten per cent of its par value as fully paid up and non-assessable. Upon bankruptcy, its trustee seeks to recover from original holders of this stock the unpaid balance. *Held*, that he may not recover. *Courtney* v. *Georger*, 228 Fed. 859 (C. C. A., 2d Circ.)

For discussion of this case, see NOTES, p. 854.

CORPORATIONS — STOCKHOLDER'S LIABILITY — GIFT OF STOCK TO CORPORATION. Many of the shareholders in a state bank donated a third of their shares to the bank, to sell and build up a surplus. The bank failed while much of this stock was unsold. The creditors seek to enforce the statutory double liability on the unsold stock against the donors. *Held*, that the donors are liable. *Barth* v. *Pock*, 155 Pac. 282 (Mont.)

In many American jurisdictions the purchase by a corporation of its own stock is *ultra vires*. See 4 THOMPSON, CORPORATIONS, 2 ed., §§ 4075, 4076. Such is the uniform rule in England. *Trevor* v. *Whitworth*, 12 A. C. 409. In such jurisdictions, collateral attack, even if denied for some purposes, will be permitted, in order to avoid prejudice to the innocent creditors. See E. H. Warren, "Executed *Ultra Vires* Transactions," 23 HARV. L. REV. 495, 509. However, if the stock has been resold by the corporation such protection of the creditor is unnecessary, as the depleted assets are then restored and the purchaser substituted to liability on the stock. *Lantry* v. *Wallace*, 182 U. S. 536; *Alling* v. *Wenzel*, 133 Ill. 264, 24 N. E. 551. Even if the purchase is not *ultra vires*, the courts should not permit such a purchase to injure the rights of creditors, and clearly would not as to existing creditors. *Clapp* v. *Peterson*, 104 Ill. 26. Some courts would refuse relief to subsequent creditors. *Marvin* v. *Anderson*, 111 Wis. 387, 87 N. W. 226. For such a purchase is really a reduction of the capital stock, on the apparent amount of which existing and subsequent creditors are alike entitled to rely. See 1 MORAWETZ, PRIVATE CORPORATIONS, 2 ed., § 112. A gift of stock to a corporation, however, is different. If the stock is fully paid up, then no assets are destroyed, and there is no objection to acceptance by the corporation. *Rivanna Navigation Co.* v. *Dawson*, 3 Gratt. (Va.) 19; *cf. Lake Superior Iron Co.* v. *Drexel*, 90 N. Y. 87, 93. But when the stockholders are subject to a statutory double liability or the shares are only partly paid up, a gift or release destroys the creditors' security, and is a fraud on creditors as much as if assets were directly paid out. *Bellerby* v. *Rowland, etc. Co.*, [1902] 2 Ch. 14. Especially is this so as the creditor, though the other shareholders are still liable on their own stock, cannot hold them on the statutory liability for the stock, held by the corporation, See *Crawford* v. *Roney*, 126 Ga. 763, 766, 55 S. E. 499, 501; *cf. In re Republic Ins. Co.*, 3 Biss. (U. S. C. C.) 452. Accordingly the